

SERVICE QUALITY OF DEVELOPMENT
DEPARTMENT OF USM: PERCEPTION OF
RESPONSIBILITY CENTRE, SATISFACTION AND
LEVEL OF COMPLAINTS

By

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Research report in partial fulfillment of the
requirements for the degree of MBA.

MAY 2009

Specially dedicated to

**My late father, Haji Saad bin Awang and my late mother,
Hajah Jariah binti Saad, I am proud to be your daughter**

**My beloved husband, Abdul Rashid Jamlus
and daughters, Adlina Husna and Adriana Huda,
thank you very much for your patience, understanding
and support throughout the period of my study.**

Acknowledgment

Alhamdulillah, praised to Allah S.W.T for the guidance, will and strength given to me to complete this thesis. I would like to thank to Professor Datin Hasnah Haron and Associate Professor Datuk Ishak Ismail for the knowledge and endless advice throughout this project. Their full support and encouragement have motivated me to do my level best.

I am also grateful to my employer for his support and understanding. Thank you to all my lecturers that have taught me in all the course subjects. Last but not least to all my MBA friends for the great friendship during the entire period of my study.

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ABSTRAK

Jabatan Pembangunan Universiti Sains Malaysia merupakan tulang belakang kepada operasi bukan akademik Universiti. Jabatan ini bertanggungjawab untuk memastikan aspek fizikal dan penyelenggaraan Universiti berada pada tahap yang terbaik dan para pelanggan berpuashati terhadap tahap perkhidmatan yang diberikan. Kajian ini bertujuan untuk mengenalpasti tahap kualiti perkhidmatan yang diberikan oleh Jabatan Perkhidmatan dari kaca mata Pusat Tanggungjawab iaitu pelanggan utama yang menerima dan menggunakan pelbagai perkhidmatan dari Jabatan Pembangunan. Kajian ini juga bertujuan mengenalpasti sama ada terdapat hubungan positif antara dimensi atau aspek kualiti perkhidmatan dengan tahap aduan yang dibuat dan sama ada kepuasan pelanggan menjadi pengantara antara dimensi tersebut dan tahap aduan. Soal selidik dikemukakan kepada kesemua 78 Pusat Tanggungjawab di Universiti Sains Malaysia dan 35 daripadanya memberikan maklumbalas. Hasil kajian ini menunjukkan kecepatan bertindak mempunyai kaitan yang positif dengan aduan pelanggan dan empat dimensi yang lain iaitu keadaan fizikal, kebolehpercayaan, kepastian dan bersimpati tidak menunjukkan hubungan yang positif dengan aduan. Juga didapati tiada hubungan antara kepuasan pelanggan yang tinggi dengan dengan tahap aduan yang minima dan kepuasan pelanggan tidak menjadi penghubung antara dimensi kualiti perkhidmatan dengan aduan pelanggan.

ABSTRACT

Development Department of USM is the backbone of the University non-academic operations. This Department is responsible in ensuring physical and maintenance aspect of university in excellent condition and the customers are satisfied with the service delivered. This study is aimed to identify the service quality delivered by Development of Department from the perspective of Responsibility Centre, its key stakeholder which use and receive various services of Development Department. This study attempts to identify whether there are a positive relationship between the dimension of service quality with level of complaints and whether the customer satisfaction mediates the service dimension with level of complaints. 78 questionnaires were distributed to all Responsibility Centre and 35 were returned. The result of the study reveals that responsiveness has a positive relationship with complaints whereas the other four dimensions; tangibility, reliability, assurance and empathy do not. Also it was found that there is no relationship between the higher satisfaction with lower complaints and the customer satisfaction did not play the mediating role between service quality and customer complaint.

Chapter 1

INTRODUCTION

1.0 Introduction

Development Department of Universiti Sains Malaysia is one of the important departments. The department is playing an important role in university's operation with regards to non-academic as its services cover planning of building construction and landscaping, managing contracts and projects, physical development, maintenance of buildings and infrastructure, property renovation and maintenance of the university.

Development Department deals with internal customers such as Responsibility Centre, students and external customers such as suppliers and contractors. The department had tried to deliver quality services and fulfill the demand of its customers in line with its vision but their level of service have yet to achieve the main objective when there are complaints and dissatisfaction among the customers about the delivery of services and work managed by them. It is based on the report of improvement on work delivery process prepared by School of Management in year 2008. For instance, if there is a renovation work to be done and a contractor needs to be engaged, the issuance process of Letter of Award will take a long time causing the contractor to start their work before obtaining Letter of Award. Such a case will result in the work done are not fulfilling the specification and the quality are not in accordance with the Letter of Award. Interviews with Head of Responsibility Centre confirmed such problem occurs whereby the renovation work did not match their

specification and requirement, shortage of labour, lack of supervision on contractor and late response from Mechanical Unit.

As for Management of Administration and Facilities Unit, problems faced by them are in respect of work processes and communication. The maintenance of university's buses for example is required to be performed by the contractor registered with Ministry of Finance. However, the unit found that it is difficult to engage the services of contractor registered with the Ministry operating within the locality of the campus as all of them are operating in Seberang Perai. When the buses are sent for maintenance routine in Seberang Perai, it will take some time and incurred high costs thus exceeding their budget allocation. This problem was highlighted by the unit itself during meeting with the committee set up to conduct the improvement of work delivery process report.

The complaint and dissatisfaction arose either from the department's weaknesses, weaknesses of other departments or problems beyond the department's control. The dissatisfaction if left unattended will prolong and give negative impact on the university and outsiders' perception towards USM.

As such this study is carried out to investigate whether the Responsibility Centre are satisfied with the service provided by Development Department based on the SERVQUAL dimension. It will identify the relationship between the service quality and customer complaints. Besides, it will investigate whether customers' satisfaction plays a mediating role in the relationship of service quality and customer complaints. The measurement of service quality is seen as an important element in many of the service quality improvement program as it has potential to offer insights into areas of service quality strengths and weaknesses.

1.1 Background of the Study

1.1.1 History and Role of Development Department

Development Department was established in 1971 as a Technical Support Unit under Bursary Office. Due to rapid expansion and development of USM, it was transformed to be a department in itself in 1973 and headed by Chief Engineer and later in 1983 the post was changed to Director of Development Department. Development Department has two branches in Kubang Kerian Campus in Kelantan and Transkrian Campus in Nibong Tebal. (http://www.usm.my/jpemb/pemb_latarnew.htm)

Development Department's objective among others are to ensure the continuous development and functionality of activities in USM pertaining to the preservation of the environment parallel to the Healthy Campus concept; provide facilities, basic infrastructure and building services; adopt quality work culture to ensure customer satisfaction; proactively manage the organisation network and employees as well as adopt the guidelines issued by Economic Planning Unit while placing emphasis on service and maintenance.

Development Department is directly responsible in planning, managing, administering, controlling, coordinating and implementing of the physical development project, landscaping, renovation and maintenance of the university's property. The department is also needed to liaise with the various agencies such as Local Authority Agency, Environmental Department, Telekom Malaysia, Tenaga Nasional Berhad, Indah Water Konsortium and others in carrying out its responsibility.

The rapid expansion and development plan of the university's property such as construction of new building, landscaping and renovation is in line with the

Academic Development program. Development Department needs to ensure that it is able to cover and support all the planned activities and the users benefited from it. Lastly it will ensure that the university is able to operate successfully.

The Department's services can be divided into two categories namely: (i) development and (ii) maintenance. The development refers to the construction of new buildings, planning and providing of physical facilities and landscaping, renovations and maintenance of university's property. Whereas maintenance refers to service in providing basic infrastructure such as electricity supply, water supply, air-conditioning system, telephone, sewerage and necessary equipment for university's formal function.

In fulfilling its responsibilities and to ensure that services are delivered effectively, this department has been divided into seven units namely Management of Administration and Facilities Unit, Campus Cleanliness and Maintenance Unit, Management of Facility Services (Electrical) Unit, Management of Facility Services (Mechanical) unit, Management of Facility Services (Civil and Structure) Unit, Construction Planning and Landscape Unit and Management of Project and Contract Unit.

Management of Administration and Facilities Services Unit is responsible in managing office administration, human resource needs and managing the services and facilities of university. In office administration, this unit is in charge of price quotation, tender, administrations of allowances, stationeries supply, office security and automation. This unit also will administer the needs of human resource and their respective post and needs of training and welfare of employees. Apart from that, this unit is responsible in budgeting, account payable and receivables, transportation and

services incidental thereto and managing the equipment for functions and events such as student's examination and convocation. This unit will manage the storage of property by keeping the university's property especially furniture and planning for new equipments and manage the current stocks.

Campus Cleanliness and Maintenance Unit is mainly responsible in beautifying and creating a healthy environment on campus and providing an environment which is conducive for the academic, co-curricular and recreational activities.

Electrical Engineering Unit is mainly responsible in maintenance and operation of electrical supply and also electrical and telephone wiring.

Whereas Mechanical Engineering Unit is responsible in operating, maintaining and installation of mechanical items such as air conditioning system, fire prevention program, lift, water treatment plant and sewerage plant. This department is responsible in developing a mechanical system which is cost effective and at the same time supervises the contractor's work to meet the quality expected. The maintenance of university's transportation and equipment are also under the responsibility of this unit.

Civil Engineering and Structure Unit is responsible in managing structure of buildings in campus, piping of water supply and managing the sewerage system. In carrying out its responsibilities this unit needs to scrutinize the physical development aspect and development in general, supervise the ongoing project, managing the renovation, upgrading and adjustment processes, supervise the operation at construction site, to identify the structure improvement and structure design.

Construction Planning and Landscape Unit is responsible in providing drawings and building plan for the new construction or refurbishment of existing building and preparing the measured drawings for buildings which does not have the original plan. This Unit will need to document data in respect of campus physical development such as the number of buildings, the length of roads, the number of parking lots and the existing campus infrastructure.

It is to be noted that the Development Department is the backbone of the non-academic operations of University Sains Malaysia. As in other public universities in Malaysia, Development Department plans and manages the development of physical facilities of the campus and the maintenance aspect of the facilities. Based on this premise, USM need to supervise the department so that there will be no pitfalls in its administration to enable the department to function well and able to give excellent services to its customers.

To better understand the department, appendix A shows the Organizational Chart of the Development Department and its importance can be seen when it is under direct supervision of the Vice Chancellor. The Development Department is headed by the Director and he is responsible for the three branches of Department in each campus. The Department has been divided into seven units and the responsibility of each unit has been discussed above.

1.1.2 The Users of Development Department

Users of Development Department consists of Responsibility Centre (PTJ) its units, academic schools and various departments; students in relation to transportation services, event management and hostel facilities; suppliers of maintenance supply,

buildings materials and also contractors for business, air conditioning, rubbish and waste, cleanliness service and maintenance.

This study will only concentrate on the Responsibility Centre as unit of analysis which is 78 centres in total. The list of the centres is exhibited in Appendix B.

1.2 Problem Statement

Research on UK service based firms has found empirical support for the belief that a service company's excellence in the way it delivers its service offering is related to its business performance (Caruana et. al., 1995). Offering a high quality service is one visible way by which a company can distinguish itself from its competitor in building a close relationship with customers and attaining a competitive advantage.

Service Quality is important to all organizations as it is "regarded as a driver of corporate marketing and financial performance" (Buttle, 1996). More people hear about poor customer service experience than good customer service and negative word of mouth can have a devastating effect on organization's effect to attract new customers. Customers who have experienced poor service will reveal their experience to other people and therefore this is likely to lead to a reduction in potential customers (Horovitz, 1990). In university context, reduction in potential customer may refer to the reduction in enrolment of new students. While public sector customers may not have the choices available in the private sector, poor service can still have a negative impact on reputation. In the case of Development Department, the question of reduction of potential customer does not arise as it is the sole provider of its services and the customers does not have an alternative but to use the services. Therefore the

importance of service quality of Development Department need to be look at different perspective.

The pressures to improve service quality may arise from different sources. Rather than pressure to compete, it may arise from internal pressure due to the desire of top management to improve service quality. As explained by Bull (1994) a university has two basic cultures, one in administrative and the other being academic. A university's achievement will be determined by shared values between academics and administrators which is the basic thrust of the organisation for a better quality of services and programs.

School of Management in year 2008 has ben assigned to prepare a report of improvement in work delivery process undertaken by Development Department with the objective to identify the strength and weaknesses of the department, to ensure the service delivery will be more efficient, effective, economical and timely and to ensure customers expectation are met and satisfied. The committee has conducted a meeting and interview with various unit of Development Department and identified the weaknesses and problem faced by them. Among the weaknesess identified in Management of Facility Services (Civil and Structure) Unit are late issuance of Letter of Award by the Treasury Unit to the Contractor, renovation work does not confirm to the specification, work done by the Contractor are behind the schedule, Responsibility Centre did not received any feedback on the complaint lodged and limited time for maintenance work during the semester break.

Based on the pemises, there is a need for Development Department to improve its services. Moreover, USM has been chosen recently to become the Nation's first Apex (Accelerated Program of Excellence) university. Apex University

has been defined as a university of excellence and thus sets motion to the need for change to achieve the target. Every departments, schools and institution within USM plays an imperative role to ensure that the University does not fail in realizing its vision as an Apex University.

This study will help Development Department to further understand the expectations of the users and highlight the dimension of service quality as viewed by the stakeholder of the University. It is also important for the Development Department to concentrate on the dimension that perceived to be important by the customer and focus on the improvement of that dimension.

1.3 Objectives of study

The purpose of this study is to investigate the perspective of Responsibility Centre on the service quality of Development Department and whether they complaint to the provider in the event of satisfaction/dissatisfaction thus the objectives are:

- i. to determine whether the Development Department has provided service quality;
- ii. to examine the mediating effect of customer satisfaction on the relationship of service quality and Customers complaints;
- iii. to identify the dimension(s) that the customer is/are not satisfied with;
- iv. to examine the relationship of service quality on the level of complaints.

1.4 Research Question

In order to achieve the research objectives, the following research question need to be addressed.

- i. what is the level of service quality of Development Department?
- ii. What are the dimensions that the customers are not satisfied with?
- iii. Does customer satisfaction mediates the relationship of service quality on level of complaints?
- iv. Is there any significant relationship between service quality and level of complaints?

1.5 Definition of key term

a) Complaints

Complaints had traditionally been regarded as negative responses from dissatisfied people. (Oh, 2006)

b) Expectation of services

Parasuraman, Ziethaml and Berry (1985) defines expectation of service as what a customer believes excellent services companies in a particular industry should offer.

c) Perceptions

Perceptions are defined as the consumer's judgment of the service organisations performance (Llosa, Chanodm & Orsingher, 1998)

d) Quality

Is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs (Johnson & Winchell, 1988)

e) Service

Is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not tie to a physical product. (Kotler & Keller, 2006, p.372)

f) SERVQUAL

SERVQUAL refers to the approach to measure service quality developed by Parasuraman, Zeithaml and Berry in 1988 by assessing both the customer expectations and perceptions of the provider's performance.

g) Service quality

Service quality is the extent to which service deliverer exceeds or falls short of the customers' expectation (Babakus & Boller, 1992)

h) Satisfaction

An experience of fulfillment of an expected outcome (Hon, 2002)

1.6 Significance of the Study

SERVQUAL dimension has been used in this study to measure the service quality of Development Department. Probably this is one of the important studies that used SERVQUAL dimension and based on the dimension it reflects the current service quality offered by the department. The sample of this study is the current users of Development Department and their views and opinion should be regarded as frank and honest for the betterment of the department specifically and USM generally.

Practically, the result of the study will highlight the area that need improvements and what are exactly the user's expectations. Besides that if there is a direct relationship between the customers' satisfaction and level of complaints, it can lead the management of the Development Department to enhance the quality of their services by addressing the complaint specifically.

1.7 Organization of the remaining chapters

Chapter 2 highlights some literature about service quality, the five dimensions used to measure service quality, applicability of service quality in educational sector and the relationship of service quality and customer satisfaction. It will also examine the relationship between the customer satisfaction and complaint which is basically the reaction of the customers to lodge complaint in the event of dissatisfaction with the service quality and describe the theoretical framework and discussion on hypotheses.

Chapter 3 describes the research methodology; research design, data collection and statistical analysis of the study.

This will be followed by Chapter 4 which reports the results from statistical finding and the last chapter, Chapter 5 will discuss on the major findings, limitation of the study and the suggestion for future research.